

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Township of Orangeville</b>	County <b>Barry</b>
Audit Date <b>3/31/04</b>	Opinion Date <b>4/13/04</b>	Date Accountant Report Submitted to State: <b>9/7/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Siegfried Crandall PC</b>			
Street Address <b>246 East Kilgore Road</b>		City <b>Kalamazoo</b>	State <b>MI</b>
		ZIP <b>49002-5599</b>	
Accountant Signature 		Date <b>9/7/04</b>	

*Township of Orangeville*  
*Barry County, Michigan*  
**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2004*

---

## CONTENTS

---

	<i>Page</i>
INDEPENDENT AUDITORS' REPORT	3
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Combined balance sheet - all fund types and account group	4
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	5
Combined statement of revenues, expenditures, and changes in fund balances - budget and actual - general and special revenue funds	6
Notes to financial statements	7 - 11
COMBINING AND INDIVIDUAL FUND STATEMENTS:	
Statement of revenues, expenditures, and changes in fund balance - budget and actual - General Fund	12 - 13
Combining balance sheet - special revenue funds	14
Combining statement of revenues, expenditures, and changes in fund balances - special revenue funds	15
Statement of revenues, expenditures, and changes in fund balance - budget and actual:	
Extra Voted Road Fund	16
Fire Equipment Fund	17
Statement of changes in assets and liabilities - Agency Fund	18

## INDEPENDENT AUDITORS' REPORT

**Members of the Township Board  
Township of Orangeville, Michigan**

We have audited the accompanying general purpose financial statements of the Township of Orangeville, Michigan, as of March 31, 2004, and for the year then ended, as listed in the contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Orangeville, Michigan, at March 31, 2004, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements, as listed in the contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township of Orangeville, Michigan. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Siegfried Crandall P.C.*

April 13, 2004

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

**Township of Orangeville****COMBINED BALANCE SHEET - all fund types and account group**

March 31, 2004

---

	<u>Governmental fund types</u>		<u>Fiduciary</u>
	<u>General</u>	<u>Special</u>	<u>fund type</u>
	<u>Fund</u>	<u>revenue funds</u>	<u>Trust and</u>
			<u>agency funds</u>
ASSETS			
Cash	\$ 193,200	\$ 758,785	\$ 252
Receivables:			
Taxes	8,049	12,227	-
Special assessments	16,763	-	-
Due from other governmental units	35,205	-	-
Due from other funds	12,114	3,237	-
Fixed assets	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u>\$ 265,331</u>	<u>\$ 774,249</u>	<u>\$ 252</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Accounts payable	\$ 11,643	\$ -	\$ -
Due to other governmental units	-	-	251
Due to other funds	3,237	12,113	1
Deferred revenue	24,812	12,227	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>39,692</u>	<u>24,340</u>	<u>252</u>
FUND EQUITY:			
Investment in general fixed assets	-	-	-
Fund balance:			
Unreserved - Undesignated	225,639	749,909	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund equity	<u>225,639</u>	<u>749,909</u>	<u>-</u>
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 265,331</u>	<u>\$ 774,249</u>	<u>\$ 252</u>

---

<u>Account group</u>	<u>Totals</u>
<u>General</u>	<u>(memorandum</u>
<u>fixed assets</u>	<u>only)</u>
\$ -	\$ 952,237
-	20,276
-	16,763
-	35,205
-	15,351
<u>960,951</u>	<u>960,951</u>
<u>\$ 960,951</u>	<u>\$ 2,000,783</u>
\$ -	\$ 11,643
-	251
-	15,351
<u>-</u>	<u>37,039</u>
<u>-</u>	<u>64,284</u>
960,951	960,951
<u>-</u>	<u>975,548</u>
<u>960,951</u>	<u>1,936,499</u>
<u>\$ 960,951</u>	<u>\$ 2,000,783</u>

See notes to financial statements

**Township of Orangeville****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - all governmental fund types***Year ended March 31, 2004*

	<u>General Fund</u>	<u>Special revenue funds</u>	<u>Totals (memorandum only)</u>
REVENUES:			
Taxes	\$ 115,005	\$ 131,988	\$ 246,993
Federal grants	-	31,556	31,556
State grants	233,548	-	233,548
Interest	12,322	-	12,322
Other	17,868	-	17,868
Total revenues	<u>378,743</u>	<u>163,544</u>	<u>542,287</u>
EXPENDITURES:			
Legislative	1,938	-	1,938
General government	98,866	-	98,866
Public safety	60,698	-	60,698
Public works	103,799	256,891	360,690
Recreation and culture	4,136	-	4,136
Health and welfare	5,000	-	5,000
Capital outlays	4,069	245,507	249,576
Total expenditures	<u>278,506</u>	<u>502,398</u>	<u>780,904</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>100,237</u>	<u>(338,854)</u>	<u>(238,617)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	107,406	107,406
Operating transfers out	(107,406)	-	(107,406)
Total other financing sources (uses)	<u>(107,406)</u>	<u>107,406</u>	<u>-</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(7,169)	(231,448)	(238,617)
FUND BALANCE - BEGINNING OF YEAR	<u>232,808</u>	<u>981,357</u>	<u>1,214,165</u>
FUND BALANCE - END OF YEAR	<u>\$ 225,639</u>	<u>\$ 749,909</u>	<u>\$ 975,548</u>

*See notes to financial statements*



**Township of Orangeville****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL - *general and special revenue funds****Year ended March 31, 2004*

	<i>General Fund</i>		
	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
REVENUES:			
Taxes	\$ 104,500	\$ 115,005	\$ 10,505
Federal grants	-	-	-
State grants	245,635	233,548	(12,087)
Interest	10,000	12,322	2,322
Other	2,000	17,868	15,868
Total revenues	<u>362,135</u>	<u>378,743</u>	<u>16,608</u>
EXPENDITURES:			
Legislative	2,300	1,938	362
General government	131,698	98,866	32,832
Public safety	66,300	60,698	5,602
Public works	10,350	103,799	(93,449)
Recreation and culture	4,720	4,136	584
Health and welfare	5,000	5,000	-
Capital outlays	20,205	4,069	16,136
Total expenditures	<u>240,573</u>	<u>278,506</u>	<u>(37,933)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>121,562</u>	<u>100,237</u>	<u>(21,325)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	<u>-</u>	<u>(107,406)</u>	<u>(107,406)</u>
Total other financing sources (uses)	<u>-</u>	<u>(107,406)</u>	<u>(107,406)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	121,562	(7,169)	(128,731)
FUND BALANCE - BEGINNING OF YEAR	<u>232,808</u>	<u>232,808</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 354,370</u>	<u>\$ 225,639</u>	<u>\$ (128,731)</u>

<i>Special revenue funds</i>			<i>Totals (memorandum only)</i>		
<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
\$ 130,400	\$ 131,988	\$ 1,588	\$ 234,900	\$ 246,993	\$ 12,093
31,556	31,556	-	31,556	31,556	-
-	-	-	245,635	233,548	(12,087)
-	-	-	10,000	12,322	2,322
-	-	-	2,000	17,868	15,868
<u>161,956</u>	<u>163,544</u>	<u>1,588</u>	<u>524,091</u>	<u>542,287</u>	<u>18,196</u>
-	-	-	2,300	1,938	362
-	-	-	131,698	98,866	32,832
-	-	-	66,300	60,698	5,602
250,000	256,891	(6,891)	260,350	360,690	(100,340)
-	-	-	4,720	4,136	584
-	-	-	5,000	5,000	-
<u>153,299</u>	<u>245,507</u>	<u>(92,208)</u>	<u>173,504</u>	<u>249,576</u>	<u>(76,072)</u>
<u>403,299</u>	<u>502,398</u>	<u>(99,099)</u>	<u>643,872</u>	<u>780,904</u>	<u>(137,032)</u>
<u>(241,343)</u>	<u>(338,854)</u>	<u>(97,511)</u>	<u>(119,781)</u>	<u>(238,617)</u>	<u>(118,836)</u>
-	107,406	107,406	-	107,406	107,406
-	-	-	-	(107,406)	(107,406)
-	107,406	107,406	-	-	-
(241,343)	(231,448)	9,895	(119,781)	(238,617)	(118,836)
<u>981,357</u>	<u>981,357</u>	<u>-</u>	<u>1,214,165</u>	<u>1,214,165</u>	<u>-</u>
<u>\$ 740,014</u>	<u>\$ 749,909</u>	<u>\$ 9,895</u>	<u>\$ 1,094,384</u>	<u>\$ 975,548</u>	<u>\$ (118,836)</u>

See notes to financial statements

**Township of Orangeville**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Township of Orangeville, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies:

*a) Reporting entity:*

In accordance with generally accepted accounting principles and Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Township (primary government). The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Township has determined that no outside agency meets the above criteria and, therefore, no outside agency has been included as a component unit in the Township's financial statements.

*b) Basis of presentation:*

The accounts of the Township are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for in, individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The financial activities of the Township are recorded in the separate funds and account group, categorized, and described as follows:

*i) Governmental funds:*

General Fund - this fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived from property taxes, state and federal distributions, grants, and other intergovernmental revenue.

Special revenue funds - these funds are used to account for specific governmental revenue (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

*ii) Fiduciary funds:*

Trust and agency funds - these funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Township of Orangeville**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*b) Basis of presentation (continued):*

*iii) Account group:*

General fixed assets account group - this account group presents the fixed assets of the local unit utilized in its general operations (nonproprietary fixed assets). Account groups are not funds. They are concerned only with the measurement of financial position and are not involved with measurement of results of operations.

*c) Basis of accounting:*

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental and fiduciary funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due.

*d) Budgets and budgetary accounting:*

The Township follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 2, Public Acts of 1968, as amended) as prescribed by the State of Michigan.

Budgets for the general and special revenue funds are adopted at the functional level and are on a basis consistent with generally accepted accounting principles.

*e) Fixed assets:*

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

**Township of Orangeville**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*f) Property tax revenue recognition:*

Property tax revenue is recognized in the year for which taxes have been levied and become available. Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on February 14 (75 days after the date levied), at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. The Township considers property taxes levied December 1 as revenue of the current year.

*g) Totals - (memorandum only):*

The total column on the combined statements is captioned "memorandum only" to indicate that it is prepared only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation as interfund eliminations have not been made.

NOTE 2 - CASH:

The Township maintains individual and pooled cash accounts for each fund. At March 31, 2004, the Township has deposits with a carrying amount of \$952,237 and a bank balance of \$951,973. Of the bank balance, \$250,000 is covered by federal depository insurance and \$701,973 is uninsured.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES:

The amount of interfund receivables and payables at March 31, 2004, is as follows:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Fund</u>	<u>Interfund payables</u>
General Fund	\$12,114	Current Tax Collection Fund	\$ 1
Extra Voted Road Fund	<u>3,237</u>	Fire Equipment Fund	<u>12,113</u>
			12,114
		General Fund	<u>3,237</u>
Total	<u>\$15,351</u>		<u>\$15,351</u>

**Township of Orangeville**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**NOTE 4 - FIXED ASSETS:**

Changes in general fixed assets were as follows:

	<i>Balance April <u>1, 2003</u></i>	<i><u>Additions</u></i>	<i><u>Dispositions</u></i>	<i>Balance March <u>31, 2004</u></i>
Land	\$ 45,367	\$ -	\$ -	\$ 45,367
Land improvements	34,133	-	-	34,133
Building	265,857	-	-	265,857
Fire department equipment	286,740	242,692	-	529,432
Other equipment	<u>86,162</u>	<u>-</u>	<u>-</u>	<u>86,162</u>
	<u>\$718,259</u>	<u>\$242,692</u>	<u>\$ -</u>	<u>\$960,951</u>

**NOTE 5 - CLAIMS ARISING FROM RISK OF LOSS:**

The Township is exposed to various risks of losses for claims arising from general liability, wrongful acts, professional liability, property damage and destruction, crime, accidents, and injuries. Risks of losses arising from possible claims are managed through the purchase of commercial insurance. Total coverage for liability or wrongful acts is \$2,000,000 respectively. For all risks of loss, there have been no significant reductions in insurance coverage from coverage provided in prior years. Also, in the past three years, settlements did not exceed insurance coverage.

**NOTE 6 - PENSION PLAN:**

The Township provides pension benefits for its elected officials through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate at the date of employment. During the year ended March 31, 2004, the Township contributed \$2,905 on behalf of the Supervisor, Clerk, and Treasurer, and two Trustees. The Township's contributions for each employee (and interest allocated to the employee's account) are vested after six months of continuous service. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

**NOTE 7 - JOINT VENTURES:**

*a) Ambulance service:*

The Township participates in Wayland Area Emergency Medical Services, Inc. (WAEMS), to provide ambulance service to its residents. Each participating local unit of government appoints two members to the WAEMS board. Membership does not convey an equity interest in the organization. Total expenditures under this arrangement for the year ended March 31, 2004, was \$5,000.

***Township of Orangeville***  
**NOTES TO FINANCIAL STATEMENTS (*Continued*)**

---

NOTE 7 - JOINT VENTURES (*Continued*):

*b) Gun Lake Area Sewer Authority:*

The Township and three other local units of government participate in the Gun Lake Sewer Authority. The Supervisor of each local unit serves on the board of the Authority. The Authority was created to maintain, administer, and manage a sewage disposal system for the benefit of the member municipalities. Membership does not convey an equity interest in the Corporation. During the year ended March 31, 2004, the Township was not required to make a contribution to the Authority.

NOTE 8 - EXPENDITURES IN EXCESS OF BUDGET:

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on the function level basis. The approved budgets of the Township for these budgetary funds were adopted at the functional level. During the year ended March 31, 2004, the Township incurred expenditures in excess of amounts appropriated in its General Fund, and the Extra Voted Road Fund, a special revenue fund, as shown on page 6.

All expenditures over appropriations have been paid by a reduction of the current fund balance.

## **COMBINING AND INDIVIDUAL FUND STATEMENTS**



**Township of Orangeville****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - General Fund***Year ended March 31, 2004*

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property taxes	\$ 85,000	\$ 89,112	\$ 4,112
Collection fees	19,500	25,893	6,393
Total taxes	104,500	115,005	10,505
State grants	245,635	233,548	(12,087)
Interest	10,000	12,322	2,322
Other:			
Special assessments	-	5,685	5,685
Miscellaneous	2,000	12,183	10,183
Total other	2,000	17,868	15,868
Total revenues	362,135	378,743	16,608
EXPENDITURES:			
Legislative - trustees	2,300	1,938	362
General government:			
Supervisor	10,784	10,720	64
Elections	3,000	782	2,218
Assessor	23,580	21,635	1,945
Clerk	15,280	14,226	1,054
Board of review	2,500	2,260	240
Treasurer	14,900	13,925	975
Hall and grounds	5,000	5,132	(132)
Cemetery	8,604	8,763	(159)
Professional fees	11,000	6,530	4,470
Other	37,050	14,893	22,157
Total general government	131,698	98,866	32,832

**Township of Orangeville****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - General Fund (Continued)**

Year ended March 31, 2004

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued):			
Public safety - fire	\$ 66,300	\$ 60,698	\$ 5,602
Public works:			
Roads	-	94,513	(94,513)
Street lights	2,200	2,073	127
Transfer station	8,150	7,213	937
Total public works	10,350	103,799	(93,449)
Recreation and culture	4,720	4,136	584
Health and welfare - ambulance	5,000	5,000	-
Capital outlays	20,205	4,069	16,136
Total expenditures	240,573	278,506	(37,933)
EXCESS OF REVENUES OVER EXPENDITURES	121,562	100,237	(21,325)
OTHER FINANCING USES:			
Operating transfers to:			
Fire Equipment Fund	-	(41,875)	(41,875)
Building Fund	-	(60,000)	(60,000)
Township Revolving Improvement Fund	-	(5,531)	(5,531)
Total other financing uses	-	(107,406)	(107,406)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	121,562	(7,169)	(128,731)
FUND BALANCE - BEGINNING OF YEAR	232,808	232,808	-
FUND BALANCE - END OF YEAR	\$ 354,370	\$ 225,639	\$ (128,731)

***Township of Orangeville***

**COMBINING BALANCE SHEET - *special revenue funds***

*March 31, 2004*

---

	<i>Budget Stabilization Fund</i>	<i>Extra Voted Road Fund</i>	<i>Township Improvement Revolving Fund</i>
ASSETS			
Cash	\$ 25,564	\$ 320,100	\$ 59,392
Taxes receivable	-	12,227	-
Due from other funds	-	3,237	-
TOTAL ASSETS	<u>\$ 25,564</u>	<u>\$ 335,564</u>	<u>\$ 59,392</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Due to other funds	\$ -	\$ -	\$ -
Deferred revenue	-	12,227	-
Total liabilities	-	12,227	-
FUND BALANCE:			
Unreserved - undesignated	<u>25,564</u>	<u>323,337</u>	<u>59,392</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 25,564</u>	<u>\$ 335,564</u>	<u>\$ 59,392</u>

---

<i>Fire Equipment Fund</i>	<i>Building Fund</i>	<i>Cemetery Reserve Fund</i>	<i>Totals</i>
\$ 55,112	\$ 278,226	\$ 20,391	\$ 758,785
-	-	-	12,227
-	-	-	3,237
<u>\$ 55,112</u>	<u>\$ 278,226</u>	<u>\$ 20,391</u>	<u>\$ 774,249</u>

\$ 12,113	\$ -	\$ -	\$ 12,113
-	-	-	12,227
12,113	-	-	24,340
<u>42,999</u>	<u>278,226</u>	<u>20,391</u>	<u>749,909</u>
<u>\$ 55,112</u>	<u>\$ 278,226</u>	<u>\$ 20,391</u>	<u>\$ 774,249</u>

**Township of Orangeville****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - *special revenue funds****Year ended March 31, 2004*

---

	<i>Budget Stabilization Fund</i>	<i>Extra Voted Road Fund</i>	<i>Township Improvement Revolving Fund</i>
REVENUES:			
Property taxes	\$ -	\$ 131,988	\$ -
Federal grants	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	131,988	-
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Public works	-	256,891	-
Capital outlays	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	256,891	-
	<hr/>	<hr/>	<hr/>
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(124,903)	-
OTHER FINANCING SOURCES:			
Transfers in	-	-	5,531
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES AND AND OTHER SOURCES OVER EXPENDITURES	-	(124,903)	5,531
FUND BALANCE - BEGINNING OF YEAR	25,564	448,240	53,861
	<hr/>	<hr/>	<hr/>
FUND BALANCE - END OF YEAR	<u>\$ 25,564</u>	<u>\$ 323,337</u>	<u>\$ 59,392</u>

---

<i>Fire Equipment Fund</i>	<i>Building Fund</i>	<i>Cemetery Reserve Fund</i>	<i>Totals</i>
\$ -	\$ -	\$ -	\$ 131,988
<u>31,556</u>	<u>-</u>	<u>-</u>	<u>31,556</u>
<u>31,556</u>	<u>-</u>	<u>-</u>	<u>163,544</u>
-	-	-	256,891
<u>245,507</u>	<u>-</u>	<u>-</u>	<u>245,507</u>
<u>245,507</u>	<u>-</u>	<u>-</u>	<u>502,398</u>
(213,951)	-	-	(338,854)
<u>41,875</u>	<u>60,000</u>	<u>-</u>	<u>107,406</u>
(172,076)	60,000	-	(231,448)
<u>215,075</u>	<u>218,226</u>	<u>20,391</u>	<u>981,357</u>
<u>\$ 42,999</u>	<u>\$ 278,226</u>	<u>\$ 20,391</u>	<u>\$ 749,909</u>

***Township of Orangeville***

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCE - BUDGET AND ACTUAL - *Extra Voted Road Fund***

*Year ended March 31, 2004*

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Property taxes	\$ 130,400	\$ 131,988	\$ 1,588
EXPENDITURES:			
Public works:			
Road improvements and maintenance	250,000	256,891	(6,891)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(119,600)	(124,903)	(5,303)
FUND BALANCE - BEGINNING OF YEAR	448,240	448,240	-
FUND BALANCE - END OF YEAR	<u>\$ 328,640</u>	<u>\$ 323,337</u>	<u>\$ (5,303)</u>

***Township of Orangeville***

**STATEMENT OF REVENUES AND CHANGES IN FUND BALANCE -**

**BUDGET AND ACTUAL - Fire Equipment Fund**

*Year ended March 31, 2004*

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Federal grants	\$ 31,556	\$ 31,556	\$ -
EXPENDITURES:			
Capital outlay	<u>153,299</u>	<u>245,507</u>	<u>(92,208)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(121,743)	(213,951)	(92,208)
OTHER FINANCING SOURCES:			
Operating transfer from General Fund	<u>-</u>	<u>41,875</u>	<u>41,875</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(121,743)	(172,076)	(50,333)
FUND BALANCE - BEGINNING OF YEAR	<u>215,075</u>	<u>215,075</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 93,332</u>	<u>\$ 42,999</u>	<u>\$ (50,333)</u>



***Township of Orangeville***

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - Agency Fund**

*Year ended March 31, 2004*

---

	<i>Balance April 1, 2003</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance March 31, 2004</i>
CURRENT TAX COLLECTION FUND				
ASSETS				
Cash	<u>\$ 263</u>	<u>\$ 2,397,665</u>	<u>\$ 2,397,676</u>	<u>\$ 252</u>
LIABILITIES				
Due to other governmental units	\$ 262	\$ 2,169,937	\$ 2,169,948	\$ 251
Due to other funds	<u>1</u>	<u>227,728</u>	<u>227,728</u>	<u>1</u>
TOTAL LIABILITIES	<u>\$ 263</u>	<u>\$ 2,397,665</u>	<u>\$ 2,397,676</u>	<u>\$ 252</u>

April 13, 2004

**Members of the Township Board  
Township of Orangeville  
Barry County, Michigan**

In planning and performing our audit of the general purpose financial statements of Township of Orangeville, Michigan, for the year ended March 31, 2004, we considered the Township's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of one matter that is an opportunity for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our comment and suggestion regarding that matter. This letter does not affect our report dated April 13, 2004, on the financial statements of Township of Orangeville, Michigan.

We will review the status of this comment during our next audit engagement. We have already discussed the comment and suggestion with the Clerk and Treasurer, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

*Siegfried Crandall P.C.*

## COMMENTS AND RECOMMENDATIONS

---

### **Budget process**

*Comment:*

The 2003 - 2004 budget was approved on April 1, 2003, and the 2004 - 2005 budget was approved on April 6, 2004. By state law, the budget must be adopted prior to the beginning of a fiscal year. There is no provision in the state's Budget Act that allows for a "continuation budget" or any other alternative to a full budget.

*Recommendation:*

The Township's budget process calendar should be adjusted so as to assure timely adoption of the budget.